Annual Report

2000/2001

Annual Report

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The Living Legacy Trust fund, established by the provincial government, invests in projects that bring environmental, economic, and social benefits to the people of Ontario and serve as models of excellence in forestry, fish and wildlife practices.

Objectives

- To facilitate partnerships and cooperation between various stakeholders with interest in the sustainable use and conservation of Ontario's natural resources.
- To support proposals that go beyond the status quo in resource management practice, and beyond what industry and government have traditionally delivered.
- To leverage support for projects that address the environmental, economic and social needs of northern Ontario.
- To support projects of the highest quality and greatest benefit to the citizens of Ontario.

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Core Values

- The Board of Directors of the Living Legacy Trust seeks consensus on all decisions.

- The Trust is committed to providing all eligible applicants with the opportunity to apply for grants through an open and transparent application and approval process.

- The Living Legacy Trust makes efforts to ensure that the results of funded projects are shared and transferred within the natural resource management community.

- The Living Legacy Trust is committed to providing current information on the Trust as well as projects funded by the Trust. The Trust website www.livinglegacytrust.org also provides links to related sites.

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Background

The Living Legacy Trust is a product of Ontario's Living Legacy, a historic consensus among stakeholder groups committed to finding collaborative and lasting solutions to land use and natural resource management issues. The $30 million Trust was established both to mitigate the impacts resulting from the implementation of the Lands for Life planning decisions, and to invest in opportunities to strengthen sustainable natural resource management in the province of Ontario.

On March 29, 1999, Premier Harris announced Ontario's Living Legacy, the culmination of the most extensive land use planning and public consultation process in the province's history. During 1997 and the first part of 1998, three regional round tables, made up of citizens from diverse backgrounds, came together to provide the government with ideas on how to manage the Crown lands and resources in an area covering 39 million hectares, or approximately 45% of Ontario. The recommendations of these round tables were tabled in a consolidated report later that year. Following public review of this report, discussions between representatives of the forest industry, the Partnership for Public Lands, and the Ministry of Natural Resources led to the establishment of the Living Legacy Trust and the Ontario Forest Accord.

On March 31, 1999 the Living Legacy Trust agreement was signed by an interim Board of Directors made up of the Deputy Minister of the Ministry of Natural Resources, the President of World Wildlife Fund Canada and the President and CEO of Tembec Incorporated. Work began immediately, seeking appointments to the Board, developing Terms of Reference for the Trust, and designing the granting program.

The Living Legacy Trust, through its own work and through the projects it supports, reflects and extends the principles of participation and collaboration with the objective of enhanced natural resource management. By focusing on proposals that demonstrate leverage and partnerships, the Trust supports initiatives that will extend well beyond its sunset date of March 31, 2004.

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Highlights

- The inaugural meeting of the full Board of Directors took place in September 1999.
- In the fall of 1999, the Board established the direction and timetable for the development of business plans for each of the Trust's nine Funding Programs. Assets of the Trust were invested and the hiring process for staff was initiated.
- In March 2000, a workshop attended by approximately 200 practitioners in forestry, ecology, fish and wildlife management resulted in the guiding document Informed Decision Making, which provides direction on science priorities and key information requirements for science-related Funding Programs.
- Under Funding Program 6, The proposal that was subsequently funded will yield results enabling Ontario to retain and strengthen its important position in the industry.
- In July 2000, the first applications under Funding Program 3,
- The first grant under the science-related Funding Programs was made to the Canadian Ecology Centre Forestry Research Partnership in November 2000.
- In February 2001, applications were invited under Funding Program 5,

This summer, the Trust will invite proposals under Funding Program 2,

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A Message from the Chair

On behalf of the Board of Directors, I am proud to present the first annual report of the Living Legacy Trust.

The Living Legacy Trust has been one of the key enablers of Ontario's Living Legacy. The Trust encourages and strengthens partnerships, seeking lasting and practical resource management solutions, recognizing that environmental concerns must be addressed in the context of social and economic impacts.

The Trust operates at arms-length from government, with an independent decision-making process. The Board is made up of individuals nominated by representative stakeholder groups, and appointed

by the Minister of Natural Resources. Stakeholder groups include environmental organizations, resource-based industries, municipalities, academia, and government.

When the Association of Municipalities of Ontario (AMO) nominated me for membership on the Board, I was serving my seventh term as Mayor of Geraldton and my third year as President of AMO. As a resident of northern Ontario, I am well aware of the inter-relationships between economic, environmental and social issues.

I view the Trust as a unique opportunity to contribute to the future of natural resource management.

Over the first two years of the Trust's mandate, members of the small staff have worked hard on all aspects of the granting program, including the development of business plans, application guidelines, monitoring and reporting process, and proposal assessment policy and procedures. I commend the small and dedicated staff of the Trust on this feat of organization!

As well, I'd like to take this opportunity to thank others who have contributed to our efforts, including the Solid-Wood Value-Added Committee, the Science Advisory Committee and our distinguished peer reviewers. Your many volunteer hours are invaluable to our efforts.

Finally, I would like to acknowledge the leadership that has been provided by the Minister of Natural Resources, and reiterate the Board's commitment to divesting the assets of the Trust on resource management projects that demonstrate excellence, and model and facilitate the partnerships essential to sustainable resource management.

Michael Power

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Living Legacy Trust < Funding Programs

1. Loss of use of roads and bridges

To provide compensation to eligible forest industry applicants for loss of the use of capital investments in permanent infrastructure directly related to regulated land withdrawals resulting from the recent Lands for Life land use decisions (e.g. roads and bridges).
$1.0 million

2. Multi-purpose access roads

To provide funds to eligible applicants for improvements to multi-purpose resource access roads on Crown lands due to changes in resources uses and the movement of resource users and products resulting from the recent Lands for Life land use decisions.
$5.0 million

3. Far North forestry development

To provide funds to eligible applicants for strategic data collection planning projects and/or environmental assessment work which will support resource allocation decisions of access to commercial forests and to identify new protected areas north of the current licensed Forest Management Units focusing on forests that are in the vicinity of Pikangikum First Nation and Moose Cree First Nation and that directly involve and provide direct economic benefit to First Nations communities.
$3.0 million

4. Forest science data collection and research

To provide funds to eligible applicants for data collection and research (including operational trials) in support of projects designed to promote the increased utilization of Crown timber and to support projects to enhance tree improvement science, produce more accurate growth and yield information and investigate intensive silviculture practices. Applicants must outline and commit to investing matching dollars and/or in-kind contributions to the approved projects.
$7.0 million

5. Forest employment opportunities

To provide funds to eligible applicants to initiate projects that will increase the quality and quantity of Crown wood (e.g. thinning, vegetation management, tree improvement) through the hiring of new forestry workers, focusing on youth employment where possible. Total disbursements to be approximately $5,000,000 with a maximum of $20,000 per new worker when companies agree to hire, supervise and support the position for at least one year.
$5.0 million

6. Value-added wood manufacturing

To provide funds to eligible applicant(s) to initiate project(s) that increase strategic information on value-added manufacturing of wood projects by undertaking a market and sector study to:

i) benchmark Ontario's solid wood value-added sector;
ii) define the destination of Ontario's solid wood shipments; and
iii) define the opportunities for specific projects or end uses for value-added manufacturing growth.
$0.5 million

7. Scientific data on fish and wildlife

To provide funds to eligible applicants in the collection of scientific data relating to fish and wildlife habitats and population linkages and thereby facilitate better resource management practices.
$3.5 million

8. Ecological approach to fish and wildlife management

To provide funds to eligible applications to support an ecological approach to fish and wildlife management through such methods as data collection, identification of gaps in science, development of analytical tools and provisions of science-based directions and guidelines.
$2.0 million

9. Benefiting northern communities through fish and wildlife resources

To provide funds to eligible applicants for projects that will benefit small, rural communities by improving access to fish and wildlife resources and by improving habitats. Funding from the Trust must be matched by local contributions at a ratio of two to one.
$1.5 million

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Approved Projects

Winter 2000/2001

The Trust will grant $54,740 over three years to the Algonquin Forestry Authority in partnership with the University of Toronto's Forestry Faculty, to evaluate winter habitat selection by the American marten. The purpose of the project is to collect data to validate and refine existing habitat suitability models and guidelines relating to silvicultural practices in the Great Lakes and St. Lawrence forests.

The Upper Lakes Environmental Research Network (ULERN) has been granted $364,800 over three years to fund a project to measure the effect of human-induced nearshore habitat destruction or enhancement on the productive capacity of aquatic ecosystems. By partnering forest and aquatic ecologists, the project will provide research to address the implications of land-use practices on fish habitat.

A grant of $538,890 over three years has been allocated to the Canadian Forest Service, Great Lakes Forestry Centre to develop a methodology for measuring and analyzing bio-indicators for sustainable forest management in Ontario. The immediate purpose of the study is to evaluate the sensitivity of currently used bio-indicators and the efficacy of accepted methods of data collection. This information will provide the basis for a strategy on the development of bio-indicator models that can be designed and implemented at the operational field level.

J.C. Headwaters Canada Ltd. in partnership with the Scientific Assessment Technologies Laboratory of the University of Toronto will receive $399,292 over three years to design and transfer a new, leading-edge approach to the inventory of fisheries resources in Ontario using hydroacoustics and integrated sensor technologies. The goal is to develop a manual of practice capable of new levels of precision in the biological and physical assessment of inland waters.

Laurentian University's Department of Biology was granted $440,082 for a three year project to develop and test the effectiveness of the "Nordic Netting Standard" as a fish community inventory technique for Boreal Shield lakes in Ontario.

The Canadian Ecology Centre Forestry Research Partnership was granted a total of $382,545 for 19 separate projects within its Forestry Research Partnership program. The partnership consists of private and public participants, including: the Great Lakes Forestry Centre of the Canadian Forestry Services, the Ontario Ministry of Natural Resources and Tembec Inc. Other partners are involved on a project-to-project basis. $369,000 is allocated to the identification, development and implementation of ecologically sustainable and scientifically defensible, leading edge forestry practices. Findings will be used to maintain and enhance an economically viable supply of quality fibre to Tembec mills, helping support local communities over the long-term. $20,000 is allocated to investigations into the effects of Intensive Forest Management on the biodiversity of wildlife habitats. This research will be conducted at the stand and landscape levels.

Summer 2000

$160,000 was granted to the Whitefeather Forest Management Corporation in partnership with the Pikangikum First Nation. The Moose Band Development Corporation in partnership with the Moose Cree First Nation was allocated $150,000. Both projects involve community-based consultation to support broader economic opportunities for First Nation communities in the Far North.

A contract in the amount of $295,000 for the Phase One assessment of Ontario's solid wood, value added sector was awarded to Jaakko Pöyry Consulting Inc. to conduct a survey of Ontario's forest products industry for benchmarking purposes. This report will provide data needed for Phase Two of the program, which is the identification of future opportunities for economic benefit in northern Ontario.

Note: In April and May 2001, the Board of Directors made further granting decisions of over $6,000,000.

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Statement of Financial Position

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		

Investments:		
Cash and short-term investment funds	$ 3,919,609	$ 1,142,681
Interest receivable	521,427	539,434
Investments	26,486,215	29,407,836
Prepaid expenses	2,355	<
	$ 30,929,606	$ 31,089,951
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	43,872	108,308
Grants payable	1,684,756	<
	1,728,628	108,308
Net Assets	29,200,978	30,981,643
Lease commitments		
	$ 30,929,606	$ 31,089,951

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Statement of Expenditures and Revenue and Changes in Net Assets

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Expenditures:		
Grants:		
Far North	$ 310,000	-
Forest Science	382,545	-
Value added	295,000	-
Fish and Wildlife	1,797,804	-
	2,785,349	
Administrative:		
Human Resources	334,415	89,653
Operating	130,728	28,476
Program	199,841	107,670
Board	96,948	52,320
Professional	110,109	99,028
Office	22,835	59,123
	894,876	436,270
Total Expenditures	(3,680,225)	(436,270)
Revenue:		
Interest income	1,899,560	1,417,913
Excess of revenue over expenditures		

(expenditures over revenue)	(1,780,665)	981,643
Net assets, beginning of year	30,981,643	<
Establishment of Trust	_	30,000,000
Net assets, end of year	$ 29,200,978	$ 30,981,643

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Statement of Cash Flows

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures (expenditures over revenue)	$ (1,780,665)	$ 981,643
Change in non-cash operating working capital balances:		
Interest receivable	18,007	(539,434)
Accounts payable and accrued liabilities	(64,436)	108,308
Grants payable	1,684,756	-
Prepaid expense	(2,355)	-
	(144,693)	550,517
Investments		
Establishment of Trust	-	30,000,000
Net proceeds on and purchase of marketable securities	2,921,621	(29,407,836)
	2,921,621	592,164
Increase in cash and short-term investment funds	2,776,928	1,142,681
Cash and short-term investment funds, beginning of year	1,142,681	
Cash and short-term investment funds, end of year	$ 3,919,609	$ 1,142,681

Conflict of Interest Policy

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Members of the Board of Directors of the Living Legacy Trust are active in their communities, participating in a wide range of interests and activities. This means that, from time to time, conflicts of interest may arise.

The Living Legacy Trust has a conflict of interest policy that prohibits Board members with a conflict of interest relating to a specific proposal to the Trust from participating in the decision-making process relating to the proposal in question.

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Board Members 2000/2001

Michael Power
Chair
Nominated by Association of Municipalities of Ontario

Russ Hughes
Vice Chair
Member at Large

John McCutcheon
Secretary/Treasurer
Nominated by World Wildlife Fund Canada

L.R.L. (Ric) Symmes
Nominated by Federation of Ontario Naturalists

Frederick Gilbert
Nominated by Lakehead University

John S. Burke
Nominated by Ministry of Natural Resources

Marvi Ricker
Member at Large

Lorne Crawford
Nominated by Ontario Forest Industries Association

Maureen Prendiville
Nominated by Ontario Lumber Manufacturers' Association

Kelly Mitchell
Member at Large

Charles Alexander
Member at Large

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Executive Committee

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Russ Hughes
Vice Chair

John McCutcheon
Secretary/Treasurer

Communications Committee

Marvi Ricker
Chair

Karan Aquino

Alison Gallardi

Value Added Committee

Top

Jim McClure
Ministry of Northern Development and Mines

Russ Hughes

Dave Milton
Ontario Lumber Manufacturers Association

Riet Verheggen
Ministry of Natural Resources

Top

Science Advisory Committee

Karan Aquino

Lorne Crawford

Frederick Gilbert

Cheryl Lewis
Ministry of Natural Resources

Rose A. Menyes

Rod Smith
Natural Resources Canada

Top

Staff

Executive Director
Karan Aquino

Program Manager
Rose A. Menyes

Office Administration
Cheryl Kanwar

Program Assistant
Pam Gilliland

Communications Adviser
Alison Gallardi

Program Advisers
John Cary
Al Stewart
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